

### Wheat Domestic Fundamentals:

**Currently Russia's invasion has not only crashed Ukraine's export infrastructure, but has forced many countries to look for alternatives outside Russia. The export share of these countries has come down to just 5-6 per cent from 25 percent and it is expected that it will at least a year to start recovering, in case things don't go worse. And 75 per cent of global wheat gap can be filled by India.**

**The Punjab government has started constructing covered godowns with a capacity to store 63 lakh tonnes of wheat procured from farmers. Among the state's four procurement agencies, the state government so far has allotted 10.8 lakh tonnes capacity to Markfed, 17.5 lakh tonnes to Punsup, 7 lakh tonnes to state warehousing corporation and 17 lakh tonnes to Pungrain.**

**The government has extended the PMGKAY scheme for another six months i.e., till September 2022 (Phase VI). The Phase-V of PM-GKAY scheme was to end in March 2022. The PM-GKAY has been under implementation since April 2020, as the largest food security program in the world. The Government has spent approximately Rs. 2.60 Lakh Crore so far and another Rs. 80,000 Crore will be spent over the next 6 months till September 2022 taking the total expenditure under PM-GKAY to nearly Rs. 3.40 Lakh Crore.**

**In Punjab, against a target of 135 lakh tonnes fixed by the department for the rabi season procurement, it is expected that the procurement would see a steep fall and total procurement might be restricted to around 100 lakh tonnes as traders and corporates are keen to lift stocks from the state due to huge export demand. The total wheat production in the state is likely to touch 175 lakh tonnes. The state food department has raised a cash credit limit of ₹30,000 crore for wheat purchase.**

### International Market Update:

**The most active wheat on CBOT dropped 2.45% to \$10.65 per bushel, and corn was down 1.23% at \$7.44 per bushel. The impact from the Ukraine-Russia conflict on the agricultural products markets is gradually reduced by the market. On the other hand, buyers are expected to turn to India to source wheat as Ukraine-Russia grains supply crisis continues.**

**Ukraine is expected to ease wheat exports curbs from April once spring sowing is progressing enough despite Russia's invasion, though export capacity remains affected by the war leading to closure of seaports.**

**Russia has kept its wheat exports steady via Black Sea ports last week as Azov Sea routes remain restricted. The domestic prices for the grain continued to rally because of the recent weakening of the rouble. Western sanctions imposed on Russia have complicated trade logistics and transactions in foreign banks for many Russian firms in the last four weeks. Though Export flow continues as a combination of old and newly signed contracts. Russia has exported 400,000 tonnes of grains last week compared with 520,000 tonnes a week earlier. Russia's southern regions have started spring grains sowing amid favourable weather. As of March 18, spring grains were planted on 222,000 hectares compared with 178,000 hectares on the same date a year ago.**

**China has sold 546,015 tonnes of wheat which is 98.41% of the total offer, at an auction of its state reserves on March 23. The average selling price of the wheat was 2,884 yuan (\$453.05) per tonne.**

**It is expected that there is a 8.2% drop in Israel's wheat production to 90 million tonnes in 2022-23, according to a report by the Foreign Agricultural Service of the US Department of Agriculture (USDA). The 2022-23 growing season began with late rains and almost no rainfall in some of the wheat growing areas. The production increase in 2021-22 was largely due to good precipitation during the mild winter with no extreme weather. Total wheat imports are estimated at 1.74 million tonnes, a slight increase from the 1.7 million tonnes imported a year ago. Most feed wheat is imported from Ukraine.**

**Huge changes is undergoing all over the world due to the concerns looming over the wheat globally. Australia and India have said they will increase their exports. But many other countries are not able to quickly make changes to the amount of wheat they can send to the rest of the world. Canada, Australia and Argentina have said they can all start to plant more wheat. But it is unclear how fast they can make changes. Increase in the planting of wheat is unlikely because the prices of fertilizers are very high which is increasing input costs.**

**With the ongoing concern between Russia and Ukraine, the major worry is how much Ukraine would harvest for the winter wheat and to what extent the wheat will be sown for spring. It is expected that only 40-60 percent of average acreage will be seeded during the spring.**

**Weather Outlook: Light to moderate isolated/scattered rainfall very likely to continue over Northeast India during next 2 days. Thereafter, under the influence of strong southwesterly winds from Bay of Bengal to northeastern states at lower tropospheric levels; Scattered to fairly widespread light/moderate rainfall with thunderstorm/lightning/gusty winds (40-50 kmph) very likely over the region during 30th March-01st April with isolated heavy rainfall over Assam-Meghalaya and Arunachal Pradesh on 31st March & 01st April, 2022.**

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Mar-22	26-Mar-22	
Delhi	Lawrence Road	Mill Delivery	2325	2345	-20
	Narella	Mill Quality Loose	2200	2200	Unch
	Nazafgarh	Mill Quality Loose	2200	2180	20
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	-	-	-
M.P.	Indore	Mill Delivery	2250	2250	Unch
	Bhopal	Mill Quality Loose	2100	2125	-25
Rajasthan	Kota	Mill Quality Loose	2150	2210	-60
		Mill Delivery	2300	2360	-60
U.P.	Kanpur	Mill Delivery	2180	2100	80
	Mathura	Mill Quality Loose	2130	2150	-20
	Kosi	Mill Quality Loose	2015	2030	-15
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	2120	2140	-20
Punjab	Khanna	Mill Quality Loose	2100	2090	10
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2135	2120	15
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2230	2200	30
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2500	2500	Unch
	Madurai	Mill Quality	2557	2557	Unch
	Coimbatore	Mill Quality	2557	2557	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	-	-	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Mar-22	26-Mar-22	
<b>Gujarat</b>	Rajkot	Lokwan	Closed	Closed	-
<b>M.P.</b>	Indore	Lokwan	2450	2450	Unch
	Bhopal	Lokwan	2350	2350	Unch
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	4000	Closed	-
	Vidisha	Sarbati	Closed	Closed	-
<b>Rajasthan</b>	Kota	LokwanBilty	2275	2335	-60
	Baran	Lokwan	2500	2500	Unch

## Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			28-Mar-22	26-Mar-22	
<b>Delhi</b>	Lawrence Road	Mill Delivery	4500	4000	500
	Narella	Mill Quality Loose	200	100	100
	Nazafgarh	Mill Quality Loose	20	5	15
<b>Gujarat</b>	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	-	-	-
<b>M.P.</b>	Indore	Mill Quality Loose	30000	6000	24000
<b>Rajasthan</b>	Kota	Mill Quality	20000	5000	15000
<b>U.P.</b>	Kanpur	Mill Quality Loose	2000	1000	1000
	Mathura	Mill Quality Loose	2000	1200	800
	Kosi	Mill Quality Loose	7000	4000	3000
	Hathras	Mill Quality Loose	70	50	20
	Aligarh	Mill Quality Loose	3000	250	2750
<b>Punjab</b>	Khanna	Mill Quality Loose	800	700	100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
<b>Haryana</b>	Sirsa	Mill Quality Loose	500	600	-100
	Hodal	Mill Quality Loose	5000	70	4930
	Bhiwani	Mill Quality Loose	10	50	-40
	Karnal	Mill Delivery	-	-	Unch
	Panipat	Mill Quality Loose	-	-	Unch

Wheat (CBOT) Future Price: 25.03.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1089.5	1109	1064.75	1102.25	16.5
22-Jul	1075	1099	1055.5	1092.5	18
22-Sep	1048.75	1073.5	1030	1069.75	20.5
22-Dec	1019	1047.25	1003	1043.75	23.25
23-Mar	988.25	1016.5	972	1011.5	23.5
23-May	952.5	973.5	941	970	20.5

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